

Statement of Estimated State Revenue Impact

Date: May 13, 2014 (As signed by the Governor on March 13, 2014)

Bill Number: H.B. 3089

Authors: Pope, Tallon, Hixon, Wells, and McCoy

Committee Requesting Impact: House of Representatives

Bill Summary

A bill to amend Section 12-6-1140, as amended, of the Code of Laws of South Carolina, 1976, relating to deductions allowed from South Carolina taxable income of an individual for purposes of the South Carolina Income Tax Act, so as to allow a maximum three thousand dollar a year deduction for volunteer state constables designated by the State Law Enforcement Division as state constables and to provide the eligibility requirements for this deduction.

REVENUE IMPACT ^{1/}

This bill, as amended, is expected to reduce General Fund individual income tax revenue by an estimated \$34,800 in FY2014-15.

Explanation of Action (March 13, 2014) – Signed by the Governor

The amended bill was signed by the Governor on March 13, 2014. This bill, as amended, is expected to reduce General Fund individual income tax revenue by an estimated \$34,800 in FY2014-15.

Explanation of Action (March 5, 2014) – House of Representatives

The House of Representatives concurred with the Senate amendment and the bill was enrolled for ratification.

Explanation of Amendment (February 19, 2014) – By the Senate Finance Committee

This amendment would strike Section 2 of the bill and insert language to change the effective date of the bill from “applies for taxable years beginning after 2012” to “applies for taxable years beginning after 2013”. This bill, as amended, is expected to reduce General Fund individual income tax revenue by an estimated \$34,800 in FY2014-15.


Explanation of Amendment (May 21, 2013) – By the House Ways & Means Committee

Currently, all volunteer state constables are required to complete a minimum of twenty hours of training per year as prescribed by the Chief of the State Law Enforcement Division (SLED) to remain licensed. According to updated information from SLED, there are currently 990 volunteer state constables. Of these individuals, an estimated 200 constables have completed a minimum logged service time of 240 hours of training per year to become eligible for the income tax deduction. The logged hours of training must be certified to SLED with a copy to be filed with the volunteer state constable’s state income tax return. Multiplying 200 volunteer state constables by a \$3,000 income tax deduction and applying an average tax rate of 5.8 percent would reduce General Fund individual income tax revenue by an estimated \$34,800 in FY2013-14. This individual income tax deduction would apply to tax years beginning with 2013.

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Explanation of Bill filed January 8, 2013

This bill would amend Section 12-6-1140(10) by allowing an individual serving as a "volunteer state constable" a \$3,000 individual income tax deduction. Volunteer state constables are appointed by the Governor and serve without compensation to assist in the detection of crime and the enforcement of any criminal laws of this State. All constables appointed are required to furnish evidence that they are knowledgeable of the duties and responsibilities of a law enforcement officer, and are required to take training as may be prescribed by the Chief of the State Law Enforcement Division (SLED). This bill would waive the requirement of satisfying a minimum number of points pursuant to Section 23-9-190 to qualify for the tax deduction. According to SLED, there are currently 1,024 volunteer state constables. Multiplying 1,024 volunteer state constables by a \$3,000 income tax deduction and applying an average tax rate of 5.8 percent would reduce General Fund individual income tax revenue by an estimated \$178,176 in FY2013-14. This individual income tax deduction would apply to tax years beginning with 2013.



Frank A. Rainwater
Chief Economist

Analyst: Martin

¹⁷ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.